
News Release

13 May 2015

COMMERCIAL INTERNATIONAL BANK ("CIB") REPORTS RECORD FIRST-QUARTER 2015 CONSOLIDATED REVENUE OF EGP 2,584 MILLION AND RECORD NET INCOME OF EGP 1,108 MILLION, OR EGP 1.05 PER SHARE, UP 38% YEAR-ON-YEAR

Record First-Quarter 2015 Consolidated Financial Results:

- Record net income of EGP 1,108 million¹, up 38% year-on-year (YoY)
- Record revenues of EGP 2,584 million, up 47% YoY
- Efficiency ratio improved to 20.2% from 23.4% in the year-ago period
- Standalone net interest margin of 5.61%², up 22bp YoY

Robust Balance Sheet:

- Total tier capital of EGP 14.2 billion, or 16.5% of risk-weighted assets, of which 94% is high quality Tier I capital
- Central bank EGP liquidity ratio of 72.9%, foreign currency at 35.7% (comfortably above the required 20% and 25% respectively)
- High quality of funding, with customer deposits comprising 95% of total liabilities
- Standalone non-performing loan coverage ratio of 171%

Sector-leading Returns

- Consolidated return on average equity of 32.1%³ versus 28.5% in the year-ago period
- Consolidated return on average assets of 2.95% versus 2.77% in the year-ago period

Supporting our Economy

- Funding to businesses and individuals increased 8% to EGP 58.2 billion during the first quarter
- Deposits increased 11% in the first quarter to EGP 136 billion, with deposit market share of 8.13% in February 2015⁴, up from 7.84% in December 2014
- In first-quarter 2015, CIB's operations generated EGP 1,122 million in corporate, payroll and other taxes

Committed to our Community

- The CIB Foundation celebrated the inauguration of the Emergency Ward and Reception Area at the Abu El Rish El Mounira Children's Hospital. The EGP 10 million project saw the renovation and outfitting of the hospital's emergency ward over almost two years to provide emergency services for roughly 90,000 children a year
- The Foundation fulfilled its EGP 3.5 million annual operating cost commitment to the Children's Cancer Hospital 57357
- The second EGP 2.5 million instalment was paid to the Egyptian Liver Care Society for the C-Free Child project to provide treatment for 600 children with the Hepatitis C virus
- The Foundation implemented five blood donation campaigns in CIB offices across Cairo, collecting 189 bags of blood
- The Foundation conducted nine 6/6 Eye Exam Caravans in Cairo, Minya and Sohag. CIB volunteers participated in the caravans, providing free eye exams for 4,500 students

¹ Net profit after minority interest

² Based on managerial accounts

³ After 2014 profit appropriation

⁴ Latest published data by CBE

Awards & Rankings

CIB received the following recognitions from global magazines and international institutions:

- Disaster Recovery Institute International (DRII)'s "Team of the Year", Business Continuity Management Global Excellence award
- E-Finance's "Best and most active bank in electronic channels for corporate payment services (CPS)" in the annual e-Taxes event
- *MENA Insurance Review's* 2015 "North Africa Insurer" for CIL

CAIRO - Hisham Ezz Al-Arab, Chairman and Managing Director of CIB, commented: "I am pleased with the exceptional financial performance we delivered in the first quarter, growing consolidated revenues 47% over last year to EGP 2.6bn, and bottom line to EGP 1.1 billion.

"Lending activity continued to recover alongside renewed economic optimism. Our loan portfolio added EGP 4.5 billion, growing 8% in the quarter with strong contributions from both institutional and retail banking. Trade service volumes also grew 37%, contributing to the Bank's excellent non-interest income performance. Concurrently, deposits grew an impressive 11%, adding just under EGP 14 billion in the quarter.

"Our solid performance was reflected in our profitability and efficiency indicators, with consolidated return on average equity hitting a sector-leading 32.1%, our highest in five years. At the same time, CIB maintained its strong asset quality and liquidity in both local and foreign currencies.

"CIB's proactive capacity build-up efforts over the past period have positioned us to capture the business opportunities now coming online. Our first quarter performance has affirmed our strategy, and bodes well for the remainder of the year."

FIRST-QUARTER CONSOLIDATED FINANCIAL HIGHLIGHTS

REVENUES

First quarter consolidated revenues were EGP 2.58 billion, up 47% from EGP 1.76 billion achieved in first-quarter 2014. Growth was driven by a solid increase in non-interest income on increased trade finance and foreign exchange volumes, coupled with capital gains from investments.

First-quarter standalone revenues were EGP 2.51 billion, up 48% from EGP 1.70 billion achieved in first-quarter 2014.

Net Interest Income

Stand-alone net interest income came in at EGP 1.9 billion, 36% higher than the year-ago period. First quarter standalone net interest margin (NIM) was 5.61%², 22bp higher YoY.

Non-Interest Income

Consolidated non-interest income in the first quarter was EGP 728 million, 88% over last year. Fees and commissions revenue increased 27% YoY. Trade service fees in the first quarter were EGP 176 million², 20% above the year-ago figure. Trade service outstanding balances stood at EGP 27.7 billion, up 53% from EGP 18.1 billion in the year ago period with a 37% increase in new business volumes. Foreign exchange income for the first quarter was EGP 72.8 million², 38% higher YoY.

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OPERATING EXPENSE

Consolidated operating expense for first-quarter 2015 was EGP 528 million, up 25% YoY. The consolidated efficiency ratio improved to 20.2% from 23.4% in first-quarter 2014, as revenue growth outpaced expenses. Standalone operating expense stood at EGP 489 million, 25% higher YoY.

First quarter effective tax rate was 32.2% compared to 29.9% in the year ago period, due to the increase in corporate tax rates in the second quarter of last year.

LOANS

CIB's total standalone gross loan portfolio was EGP 58.2 billion at the end of first-quarter 2015, adding EGP 11.6 billion, or 25%, over first-quarter 2014, and EGP 4.5 billion, or 8%, year-to-date (YtD).

CIB maintained the highest loan market share of all private-sector banks, at 8.69% as of February 2015⁴.

DEPOSITS

Standalone deposits were EGP 136 billion, adding EGP 33 billion or 32% over first-quarter 2014. Deposits grew 11% QoQ, adding EGP 13.9 billion. Deposit market share was 8.13% as of February 2015⁴, maintaining CIB's leading position amongst all private-sector banks.

The consolidated gross loan-to-deposit ratio was 42.3% by the end of first-quarter 2015, versus 45.2% for the comparable year-ago period.

ASSET QUALITY

CIB maintained its resilient asset quality. Standalone non-performing loans represented 3.64% of the gross loan portfolio, covered 171% by the bank's EGP 3.6 billion loan loss provision balance. Loan loss provision expense in first-quarter 2015 was EGP 421 million, partially driven by loan growth. Given the recent sharp drop in global oil prices, CIB has proactively protected its solid asset quality by increasing provision coverage of the petrochemical industry.

CAPITAL AND LIQUIDITY

Total tier capital (after 2014 profit appropriation) was EGP 14.1 billion in March 2015, or 16.5% of risk-weighted assets (EGP 85.7 billion). Tier I capital was EGP 13.3 billion, or 15.5% of risk-weighted assets and 94% of total tier capital.

CIB maintained its conservative liquidity position in both local and foreign currencies, remaining comfortably above CBE requirements and Basel III guidelines (the latter on a pro forma basis).

KEY METRICS AND BUSINESS UPDATES⁵

INSTITUTIONAL BANKING

- #1 private-sector bank in Egypt in terms of revenues, net income, deposits, loans, total assets, book value and market capitalization.
- End-of-period gross loans were EGP 47.5 billion, 7% above year-end 2014.
- End-of-period deposits were EGP 39 billion, 13% above year-end 2014.
- Gross outstanding contingent business reached EGP 28.8⁶ billion, 8% over year-end 2014.

BUSINESS BANKING

- End-of-period gross loans were EGP 1.7 billion, up 31% over year-end 2014.
- End-of-period deposits were EGP 34.3 billion 20% over year-end 2014.
- Gross outstanding contingent business reached EGP 1.3 billion⁶, 11% over year-end 2013.

RETAIL INDIVIDUALS BANKING

- End-of-period gross loans were EGP 9.0 billion, 10% above year-end 2014.
- End-of-period deposits were EGP 62.9 billion 7% over year-end 2014.
- CIB continued to expand its network to reach a total of 140 branches and 25 units throughout Egypt, supported by a network of 605 ATMs and 10,036 points of sale.

SECURITIES BROKERAGE, ASSET MANAGEMENT & INVESTMENT BANKING

- **CI Capital** recorded revenues of EGP 80mn in the first quarter 2015, 35% over the year-ago period, and net income of EGP 14 million.
- **Brokerage** maintained its top rank, with a market share of 14.6%, 735bp above first-quarter 2014 with a YoY revenue increase of 21%.
- **Assets Management's** assets under management grew 5% over year-end 2014 to EGP 9.2 billion. EIMA ranked CIAM's BLOM money market fund and Thabat CIB fixed income fund 1st by 12-month return, while Osoul CIB money market fund ranked 3rd⁷.
- **Investment banking** successfully closed one IPO in the first quarter 2015, with revenues tripling over the same year-ago period (EGP 15mn).

⁵ Loans and deposits balances based on managerial accounts

⁶ On gross basis; based on managerial accounts

⁷ Ranking as of 2 April 2015

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CONSOLIDATED FINANCIAL HIGHLIGHTS

Income Statement	1Q15 EGP million	4Q14 EGP million	QoQ Change (1Q15 vs. 4Q14)	1Q14 EGP million	YoY Change (1Q15 vs. 1Q14)
Net Interest Income	1,856	1,892	-2%	1,369	36%
Non-Interest Income	728	281	159%	387	88%
Net Operating Income	2,584	2,173	19%	1,756	47%
Non-Interest Expense	(528)	(573)	-8%	(422)	25%
Provisions	(421)	(122)	244%	(185)	128%
Net Profit before Tax	1,636	1,477	11%	1,150	42%
Income Tax	(548)	(482)	14%	(326)	68%
Deferred Tax	20	38	-46%	(18)	NM
Net Profit	1,108	1,033	7%	806	38%
Minority Interest	0	1	-63%	0	NM
Net Profit After Minority	1,108	1,032	7%	805	38%
Profitability					
ROAE ³	32.06%	30.6%	4.6%	28.5%	12.4%
ROAA	2.95%	2.97%	-0.4%	2.77%	6.7%
Efficiency					
Cost-to-Income	20.2%	24.5%	-17.6%	23.4%	-13.6%
Liquidity					
Gross Loans-to-Deposits	42.3%	43.6%	-2.9%	45.2%	-6.4%
Asset Quality					
NPLs-to-Gross Loans	3.68%	4.71%	-21.8%	4.58%	-19.6%
Capital Adequacy Ratio	16.54%	16.77%	-1.4%	16.45%	0.5%

STANDALONE FINANCIAL HIGHLIGHTS

Income Statement	1Q15 EGP million	4Q14 EGP million	QoQ Change (1Q15 vs. 4Q14)	1Q14 EGP million	YoY Change (1Q15 vs. 1Q14)
Net Interest Income	1,870	1,903	-1.8%	1,372	36.3%
Non-Interest Income	642	198	225%	328	96.1%
Net Operating Income	2,512	2,100	19.6%	1,699	48%
Non-Interest Expense	(489)	(510)	-4.3%	(392)	25%
Provisions	(421)	(122)	244.3%	(185)	128.0%
Net Profit before Tax	1,602	1,468	9.2%	1,122	42.8%
Income Tax	(543)	(477)	13.7%	(326)	66.6%
Deferred Tax	20	38	-47.1%	(18)	NM
Net Profit	1,080	1,029	5%	779	39%
Profitability					
ROAE ³	31.14%	30.4%	-7.4%	27.2%	14.3%
ROAA	2.88%	2.96%	-2.6%	2.69%	7.2%
NIM ¹	5.61%	5.51%	1.8%	5.38%	4.2%
Efficiency					
Cost-to-Income	19.3%	22.5%	-14.6%	22.5%	-14.4%
Liquidity					
Gross Loans-to-Deposits	42.7%	43.9%	-2.8%	45.3%	-5.7%
Asset Quality					
NPLs-to-Gross Loans	3.64%	4.66%	-21.9%	4.56%	-20.2%
Direct Coverage Ratio	171%	138%	23.5%	144%	18.8%

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BALANCE SHEET

	Consolidated			Standalone		
	Mar-15	Dec-14	YtD Change	Mar-15	Dec-14	YtD Change
	EGP million	EGP million	(Mar-15 Vs. Dec-14)	EGP million	EGP million	(Mar-15 Vs. Dec-14)
Cash & Due from Central Bank	8,842	7,502	18%	8,842	7,502	18%
Due from Banks	9,980	9,522	5%	9,809	9,280	6%
Treasury Bills & Governmental Notes	30,681	30,549	0.4%	30,679	30,539	0%
Trading Financial Assets	5,664	3,763	51%	5,584	3,728	50%
Available-for-Sale Investments	32,229	27,702	16%	32,216	27,688	16%
Net Loans & Overdrafts	53,098	48,804	9%	53,772	49,398	9%
Financial Derivatives	115	52	121%	115	52	121%
Held-to-Maturity Investments	10,209	9,161	11%	10,209	9,161	11%
Financial Investment in Subsidiaries	197	182	8%	565	565	0%
Other Assets	6,797	6,577	3%	5,885	5,734	3%
Total Assets	157,813	143,813	10%	157,675	143,647	10%
Due to Banks	410	1,131	-64%	410	1,131	-64%
Customer Deposits	136,017	121,975	12%	136,175	122,245	11%
Other Liabilities	6,878	5,904	17%	6,598	5,455	21%
Total Liabilities	143,305	129,010	11%	143,183	128,831	11%
Total Shareholders' Equity	13,351	11,013	21%	13,412	11,168	20%
Net Profit for the Period	1,108	3,741	-70%	1,080	3,648	-70%
Shareholders' Equity & Net Profit	14,459	14,754	-2%	14,492	14,816	-2%
Minority Interest	49	49	0%	-	-	
Total Liabilities & Shareholders' Equity	157,813	143,813	10%	157,675	143,647	10%